# Phoenix Program
# Process Definition-General Ledger

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| **Process** | **GL Agency Year-End Close Procedures** |
| **Process Number** | **GL – 060C** |

## Description of Process

Agencies included in the Appropriations Act are required to maintain their accounting records in a manner which will provide for the preparation of both budgetary & GAAP financial statements. State organizations that are not included in the Appropriations Act are required only to maintain their accounting records in conformity with GAAP. There are significant differences between GAAP & the State's budgetary accounting procedures. Accounting records will be maintained for budgetary purposes using the ACTUALS ledger & in conformity with GAAP using the GAAPACTUAL ledger.

In order to assist in the preparation & issuance of statewide financial statements, it is imperative that all organizations within the state reporting entity close their accounting records based on an entity-wide schedule. The state has implemented a common year-end close date. Based on this year-end cut-off schedule, transaction processing will be stopped for the accounting period 12. As accounting period 12 is closed, an adjustment period 998 will be open for journals in General Ledger. At this time, the first accounting period in FY 2003 will be opened for current transaction processing.

The year-end close is a background process which closes the revenue and expense accounts and carries balances forward into the new accounting year according to the rules (Closing Sets) established for each business unit (Agency). **Any residual surplus amounts will be booked to account 390001 plus the appropriate ChartField combinations.**

**Excess of revenue over expense will be closed to 390001, except 40XXX thru 59XXX "Other Restricted – Non Federal". The excess in these accounts will be closed to 337001. Agencies must ensure that they have proper documentation on hand, for the auditors, to substantiate the restricted nature of the funds.**

***Note: Agencies must analyze Federal programs 10XXX thru 39XXX and make adjusting entries for receivables or deferred revenue. If expenditures exceed the Federal Grant, adjusting entries may need to be made to re-rate (transfer) excess to State funds. These adjusting entries should be made in the adjustment period 998, 7/15 – 7/25 2002.***

## Input to Process

All journals processed for the fiscal year for the ACTUALS, GAAPACTUAL, FEDSACTUAL, GFAAG, and GLTDAG ledgers.

## Output to Process

Year-end financial statements reflecting all accounting transactions for the year.

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| **Service Level Agreement Required? (If yes, provide a brief description)** | |
| N/A | |
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| **PeopleSoft Panel Groups being Used** | |
| **Function** | **Panel Group** |
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| All functions | Refer to referenced business process definitions. |

# Phoenix Program
# Process Definition-General Ledger

| **Business Process Description** | |
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| **Process Description** | **Responsibility (Agency/Centralized)** |
| **Step 1: Enter June transactions during the month of June.**<br>When the May accounting period is closed, only the June accounting period will be open for processing transactions. July's accounting period will not be open for processing transactions until July 15, 2002. | Agency |
| **Step 2: Entering June journals during the month of July.**<br>To enter a June journal during the month of July, the journal date has to be entered as 06/30/2002. This will ensure that the journal will post to June (accounting period 12 of fiscal year 2002). See Process Definition #GL – 060d for step by step instructions. | Agency |
| **Step 3: Entering June General Ledger offline journals during the month of June.**<br>For June offline journals during the month of July, the journal date has to be entered as 06/30/2002. This will ensure that the journal will post to June (accounting period 12 of fiscal year 2002). ***Each agency using the General Ledger offline interface is responsible for ensuring that the correct journal date is on their offline file.*** | Agency with Offline Interfaces |
| **Step 4: Agencies need to add all 2003 Organizations, Projects, Programs and Program Distributions prior to processing July 2003 transactions.**<br>Each agency is responsible for adding all new 2003 Organizations, Projects, and Programs in PeopleSoft. For step by step instructions see Process Definition #GL - 037 Creating Organizations, #GL – 028 Creating a Project/Grant, #GL – 034 Creating a Program, and #GL – 097 Creating a Program Distribution. | Agency |
| **Step 5: Entering July journals during the month of July.**<br>To enter a July journal during the month of July, the journal date has to be entered as 07/01/2002 through 07/31/2002. This will ensure that the journal will post to July (accounting period 1 of fiscal year 2003). **The date on a journal will automatically default to a July date during the month of July so no special procedures are required.** | Agency |

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| **Step 6: Agencies should correct June journals from AP, PO, AR, LD, AM that are in recycle status before the June accounting period is closed.**<br>All June journals in recycle status due to edit or budget-checking errors should be corrected before the June accounting period is closed. General Ledger reports GLXXX0405 Online JV Error Report and GLXXX425 Offline JV Error Report, and GLXXX0416 Expenses Rejected in Budgets can be used to identify June journals in recycle status. | Agency |
| **Step 7: Agencies are responsible for ensuring that all pre-encumbrances are removed from the Ledger.**<br>Agencies can run General Ledger query # 0GL048_LEDGER_PRE-ENCUMBRANCES in order to determine if any pre-encumbrances remain on their ledger. This query will have been run by Ledger (i.e., ACTUALS, GAAPACTUAL, FEDSACTUAL, GFAAG, and GLTDAG). **If there are outstanding Requisitions, these must be cancelled or processed before the June accounting period is closed.** | Agency |
| **Step 8: Agencies are responsible for ensuring that no revenue or expense transactions have been entered to the GFAAG and GLTDAG ledger groups.**<br>Agencies can run General Ledger query # 0GL049_ACCT_GRP_LEDGER_REV&EXP in order to determine if any revenue or expense transactions have been entered to the GFAAG and GLTDAG Ledgers. **If any revenue or expense transactions exist, the agency is responsible for reversing the transactions before the June accounting period is closed.** In order to determine the Journal ID's and journal dates for these ledger transactions, the agency can run General Ledger query # GL050_ACCT_GRP_JRNLS_REV&EXP for the appropriate revenue or expense account. Once the journal ids and journal dates are obtained, General Ledger query # 0GL037_POSTED_GL_JRNL_DETAIL can be run to get the details for of the journals. | Agency |
| **Step 9: June Month-end batch is run closing Accounting Period 12 and opening Adjustment period 998 for fiscal year 2002. Also, Period 1 of fiscal year 2003 will be open.** | FSS |
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| **Step 10: Agencies will receive June Month-end reports.**<br>During batch, the following month-end reports will be | FSS |

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| created for Accounting Period 12 for each agency:<br>GLXXX04EA – Business Unit Balance Sheet<br>GLXXX04EB – Program Detail Balance Sheet<br>GLXXX044A – Business Unit Trial Balance – Budget Basis<br>GLXXX044M – Business Unit Trial Balance – GAAP Basis<br>GLXXX044N – Program Detail Trial Balance<br>GLXXX044Q – Fund Summary Trial Balance<br>GLXXX044R – Program Detail with Fund Detail Trial Balance (if applicable)<br>GLXXX0409 – Business Unit Obligation by Program/Account System to Date (if agency has a FEDSACTUAL Ledger)<br>GLXXX049A – Detail Project/Account System to Date (if agency has a FESACTUAL Ledger)<br>GLXXX0411 – Expenses without encumbrances System to Date (if agency has a FEDSACTUAL Ledger)<br>GLXXX0412 – Total Obligation System to Date (fi agency has a FEDSACTUAL Ledger) | |
| **Step 11: Create Adjustment journal entries as necessary.**<br>Each agency has a set period of time to enter Adjustment General Ledger journals in to Accounting Period 998 of fiscal year 2002. These journals could be for corrections, accruals, or reserves. **Adjustment journal entries can only be entered in General Ledger.** For step by step instructions see Process Definition #GL – 099 Non-Reversing Adjusting Journal Entry and #GL – 099a Reversing Adjusting Journal Entry. | Agency |
| **Batch is run to close Adjustment period 998 for fiscal year 2002.** | FSS |
| **Step 12: Agencies will receive Year-end reports prior to year-end close process.**<br>During batch, the following month-end reports will be created for Accounting Period 12 through Adjustment Period 998 for each agency:<br>GLXXX04EA – Business Unit Balance Sheet<br>GLXXX04EB – Program Detail Balance Sheet<br>GLXXX044A – Business Unit Trial Balance – Budget | Agency |

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| Basis<br>GLXXX044M – Business Unit Trial Balance – GAAP Basis<br>GLXXX044N – Program Detail Trial Balance<br>GLXXX044Q – Fund Summary Trial Balance<br>GLXXX044R – Program Detail with Fund Detail Trial Balance (if applicable)<br>GLXXX0409 – Business Unit Obligation by Program/Account System to Date (if agency has a FEDSACTUAL Ledger)<br>GLXXX049A – Detail Project/Account System to Date (if agency has a FESACTUAL Ledger)<br>GLXXX0411 – Expenses without encumbrances System to Date (if agency has a FEDSACTUAL Ledger)<br>GLXXX0412 – Total Obligation System to Date (fi agency has a FEDSACTUAL Ledger) | |
| **Year-end close processes will be run in year-end batch.** | FSS |
| **Step 13: Agencies will receive final Year-end reports after year-end close process.**<br>During batch, the following month-end reports will be created for Accounting Period 12 through Adjustment Period 999 for each agency:<br>GLXXX04EA – Business Unit Balance Sheet<br>GLXXX04EB – Program Detail Balance Sheet<br>GLXXX044A – Business Unit Trial Balance – Budget Basis<br>GLXXX044M – Business Unit Trial Balance – GAAP Basis<br>GLXXX044N – Program Detail Trial Balance<br>GLXXX044Q – Fund Summary Trial Balance<br>GLXXX044R – Program Detail with Fund Detail Trial Balance (if applicable)<br>GLXXX0409 – Business Unit Obligation by Program/Account System to Date (if agency has a FEDSACTUAL Ledger)<br>GLXXX049A – Detail Project/Account System to Date (if agency has a FESACTUAL Ledger)<br>GLXXX0411 – Expenses without encumbrances System to Date (if agency has a FEDSACTUAL Ledger) | Agency |

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| GLXXX0412 – Total Obligation System to Date (if agency has a FEDSACTUAL Ledger) | |
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## Forms used with Process (#)

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## Process Flow Diagram (if applicable):